

**TESTIMONY IS EMBARGOED UNTIL FRIDAY
APRIL 1, 2011 AT 9:00 AM**

**Barry Rand
Chief Executive Officer, AARP**

**AARP Statement
Before a Joint Hearing of
The House Ways and Means
Subcommittee on Health and
Subcommittee on Oversight**

**Washington, DC
April 1, 2011 at 9:00 a.m.**

Good morning. I am Barry Rand, CEO of AARP. Joining me this morning is Lee Hammond, president of AARP and a member of the AARP Board of Directors.

Lee, like all 22 members of our Board, is an unpaid volunteer.

AARP is proud of our record. Throughout AARP's more than 50 years of service, we have worked tirelessly to both promote nonpartisan policy solutions and to improve the marketplace to enhance the public good, especially for those 50 and older. And we will continue to do so in the future.

We are a strictly nonpartisan organization. We don't endorse or oppose candidates. We don't give money to candidates or political parties. And, we don't have a PAC.

We do our work in a very public way. Since its founding, AARP has made information about its finances, mission, and governance available to the public. We post on our website our:

- Annual reports
- Financial statements
- IRS Form 990 tax returns
- And detailed breakdowns of our revenues and expenditures.

We've been publishing our financial statements since our founding in 1958.

This is why we are surprised and disappointed both by the title of the report a few members released this week: "Behind the Veil: The AARP America Doesn't Know" and its substance.

There is no veil!

Quite frankly, we disagree with each of the conclusions drawn in this one-sided report.

First, we reject the allegation that our public policy positions are influenced by our revenues. Our policy positions are set by our all-volunteer board of directors, based on the needs of the 50-plus population. They are determined totally independent from revenue considerations.

We have long maintained that we would forgo revenue in exchange for lifetime health and financial security for all older Americans. As an example of this, it is very likely that under the Affordable Care Act the AARP-branded insurance plans for 50 to 64 year olds will become obsolete, and we will no longer receive revenue from those plans.

The revenues we earn from royalties allow us to keep membership dues low—currently \$16 a year—while providing outstanding benefits to members and to every American age 50 and over.

We also reject the conclusion that we are not good stewards of our non-profit status. The revenue that AARP receives from lending its name to products and services goes directly to fulfilling our mission and serving people 50-plus.

Our mission includes three major areas:

1. We work to make sure that people have access to affordable, quality health care.
2. We work to make sure that people have the opportunity to achieve lifelong financial security.
3. And, we help and empower people 50-plus to live their best lives.

These are the principles AARP was founded on.

Dr. Ethel Percy Andrus, a retired school teacher and principal from California, was appalled when she discovered a retired teacher living in an old chicken coop.

She decided to do something about it. With like-minded retired educators, she began a campaign to get affordable group medical insurance for retired teachers.

After being turned down by no fewer than 42 companies, she finally found one that would offer a plan to her members—creating the first group health insurance plan for people 65 and older in the country...a decade before Medicare.

Word about this insurance spread, and they became inundated with requests from seniors across the country who needed health insurance for themselves.

So, on July 1, 1958, Dr. Andrus created AARP. She did so because she envisioned a better life and brighter future for seniors so that they could live with independence, dignity and purpose—including health and economic security and opportunities to remain active, involved and productive members of society.

When we look at what Dr. Andrus did, it is really remarkable. She came up with a creative marketplace solution to what was then considered to be an unsolvable problem—providing access to affordable, quality health care for seniors.

And in the process, she learned that she could change the market to meet the unmet needs of seniors by bringing people together who shared those needs.

We have followed Dr. Andrus's lead ever since. Lee, our other volunteer leaders and our dedicated staff are the guardians of that legacy today.

Today, we continue to look for solutions to meet the unmet needs of people 50+—more than 100 million of them. We don't just advocate for government or public policy solutions; we also seek to promote marketplace solutions—just as Dr. Andrus did.

Advocacy is not our only tool. We seek to move the market by lending our name to products and services. We develop programs and bring together 50-plus volunteers to address needs in their communities and provide people 50-plus with valuable information and educational resources to help them live their best lives.

All that we do is dedicated to carrying out our mission. Our work is about making sure that everyone has an opportunity to achieve the American Dream.

We are leading efforts to improve life for all generations by working to:

- Provide access to quality, affordable health care—including lower prescription drug costs,
- Improve and protect financial security, including Social Security, and
- Fight age discrimination and advocate for consumers.

For example, AARP has supported bipartisan legislation including the Lifetime Income Disclosure Act, which will provide consumers with better information about their 401(k) plans. We were also proud to endorse the Strengthening Medicare Anti-Fraud Act. This bill—sponsored by the chair and ranking member of the health subcommittee—empowers the government to reduce Medicare fraud.

In addition to advancing our bipartisan policy goals, AARP also provides direct assistance to Americans. For example:

- As we sit here today, more than 30,000 AARP Tax-Aide volunteers are helping 2.6 million taxpayers prepare their taxes. In 2010, 193,000 people with low incomes received a total of \$233 million in Earned Income Tax Credits.
- Last year, AARP volunteers helped more than 526,000 people stay safe on the roads through our Driver Safety Program.
- Also, in 2010, our advocacy efforts helped consumers save more than \$3 billion in utility costs.
- Last year, we distributed more than 1.8 million publications and resources to provide people with information they need on issues such as: health care, financial security, the changing workforce, and housing.
- Last year, more than half a million people visited our “Create the Good” website to connect with more than 260,000 volunteer opportunities in their communities.
- Today, AARP and the AARP Foundation—in partnership with NASCAR’s Jeff Gordon and Hendrick Motorsports—are leading the “Drive to End Hunger”—an effort to help the 6 million American seniors who face the horror of going hungry every day.

In short, we’re doing what we’ve always done

- Working to make society better.

- Going to bat for people 50-plus and their families on issues that matter to them
- Advocating for them in the marketplace and helping to save them money
- Empowering people 50-plus to pursue their goals and dreams, and
- Fighting to make sure that everyone has a fair opportunity to achieve the American Dream.

That's the story of AARP. That's the legacy of Dr. Andrus— making sure the American Dream lives on for all generations.

I think Dr. Andrus said it best, "What we do, we do for all."

Lee and I appreciate the opportunity to appear before you this morning and answer your questions.

Thank you.